

NEW PROPERTY CONVEYANCE BILL

The General Assembly just passed a new property conveyance bill at its 2003 session. This bill, which was passed as House Bill 324 and will become a new section of KRS Chapter 382, states that real estate licensees do not have to disclose anything about a property that is not specifically required to be disclosed by state and federal law. This new law will take effect on July 15, 2003.

The new "property conveyance law," as it is called, could have far-reaching effects for the real estate industry. This law should now make it clear that a licensee does not have to disclose any stigmas associated with a property, such as a murder, a suicide or a violent crime that has occurred at the property. In addition, this law should eliminate a licensee's need to disclose the existence of sex-offenders in a particular neighborhood, as Megan's Law does not require such disclosure by the real estate licensees involved in the transaction.

Please feel free to contact our offices if you have specific questions about the new law and its effect on your practice. The new law language is as follows:

SECTION 1. A NEW SECTION OF KRS CHAPTER 324 IS CREATED TO READ AS FOLLOWS:

An agent licensed under KRS Chapter 324 representing a party in the sale, leasing, or exchange of real property shall have no affirmative duty to disclose to any person who acquires, by voluntary or involuntary transfer, a legal or equitable interest in real property, including any leasehold or security interest for an obligation, information not required by this chapter or applicable federal law.